

P-421/EI-89-860ACCEPTING FILING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of Northwestern Bell Telephone
Company's, d/b/a U S WEST
Communications, Proposed Incentive
Regulation Plan

ISSUE DATE: December 21, 1989

DOCKET NO. P-421/EI-89-860

ORDER ACCEPTING FILING

PROCEDURAL HISTORY

On October 1, 1989, Northwestern Bell Telephone Company, d/b/a
US WEST Communications filed a proposed incentive plan under Minn. Stat. 237.625 (Supp. 1989)
with the Minnesota Public Utilities Commission (the Commission).

On October 31, 1989, the Commission issued its NOTICE OF FILING AND ORDER
ESTABLISHING PROCEDURES in this matter. That Order invited interested persons to comment
by November 13, 1989 on the adequacy of the form of the Company's proposed incentive plan filing.

The Department of Public Service (Department or DPS) filed comments on November 13, 1989.
The Company responded to those comments on November 20, 1989.

The Commission met on December 12, 1989 to consider this matter.

FINDINGS AND CONCLUSIONS

The Commission must decide whether the Company's proposed incentive plan meets the filing
requirements of the Commission's October 31, 1989 Order.

In its comments the DPS indicated that Section K.7C(E) of the Commission's Order directs the
Company to include in its plan a description of proposed pass-through of cost increases and
decreases allowed under Minn. Stat. § 237.625 (Supp.1989). The DPS argued that the Company's
filing does not include a discussion of proposed pass-through of cost decreases and, therefore, does

not comply with the Commission's Order. The Department asked the Commission to order the Company to submit a description of its proposed pass-through of cost decreases within ten days of a Commission Order on this matter.

The Company responded that to the extent that pass-throughs have been proposed in the plan the Company has provided a description of them and that the filing complied with the Commission's October 31, 1989 Order. However, the Company offered to amend its proposed plan if the Commission found it appropriate for the Company to include a statement that the plan contains no pass-through decreases.

The Commission finds that the Company has complied with the formal requirements of the Commission's Order. The Company has included a discussion of proposed pass-through of cost increases, but not a description of any proposed pass-through of cost decreases. The Company is not proposing to pass-through cost decreases. The Commission will accept the Company's proposed incentive plan filing. However, for the sake of clarifying the record, the Commission will ask by letter that the Company submit a statement to the Commission and to interested persons that specifically describes the Company's proposed pass-through of cost decreases under its incentive plan.

Finally, by its decision that the Company's filing is adequate as to form, the Commission makes no finding on the merits of the Company's filing.

ORDER

1. The proposed incentive plan filed by Northwestern Bell Telephone Company, d/b/a U S WEST Communications is hereby accepted.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson
Acting Executive Secretary

(S E A L)